



June 24, 2014

Congressional Committees

Prepositioned Stocks: DOD's Strategic Policy and Implementation Plan

This report summarizes our work to date in response to section 321 of the National Defense Authorization Act for Fiscal Year 2014, Pub. L. No. 113-66. Section 321 requires the Department of Defense (DOD) to maintain a strategic policy on the programs of the department for prepositioned materiel and equipment that takes into account national security threats, strategic mobility, service requirements, and the requirements of the combatant commands, and to address the ways in which the department's prepositioning programs, both ground and afloat, align with national defense strategies and departmental priorities. The act also requires that not later than 120 days after the date of the act, DOD is to submit to the congressional defense committees a plan for implementation of the prepositioning strategic policy. Section 321 further requires that not later than 180 days after the enactment of the act, GAO is to review the submitted strategic policy and implementation plan required and to provide to the defense committees a report describing our findings and any additional information that we determine is appropriate relating to the prepositioning strategic policy and implementation plan.

To respond to the mandate, we contacted the Office of the Under Secretary of Defense for Logistics and Materiel Readiness, designated by DOD as responsible for the strategic policy and implementation plan in response to the statutory requirements, to discuss DOD's progress in developing the policy and plan and to obtain DOD's written submission to Congress in response to section 321. We reviewed the letters DOD submitted to Congress regarding its mandate and our previous work concerning the need for DOD to develop department-wide strategic guidance and implement a coordinated joint-service approach for managing its prepositioning programs, as well as relevant DOD documents and military service guidance.

We found that, as of June 24, 2014, DOD has not submitted a strategic policy or an implementation plan to congressional committees as mandated by section 321. In letters to the defense committees dated April 24, 2014, DOD stated it would establish an enterprise-focused working group that would develop strategic guidance, including joint oversight for DOD's prepositioning programs, and that a response would be provided by the end of March 2015 to allow the group to develop the necessary guidance and oversight.

Because the policy and plan have not been finalized, we cannot review the documents as mandated. However, we will continue to monitor DOD's progress and will review the strategic policy and implementation plan for prepositioning as mandated by section 321 when they become available. We will work with your staff on the timing of our future report.

We conducted our work from May to June 2014 in accordance with all sections of GAO's Quality Assurance Framework that are relevant to our objectives. The framework requires that we plan and perform the engagement to obtain sufficient and appropriate evidence to meet our stated objectives and to discuss any limitations in our work. We believe that the information and data

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obtained, and the analysis conducted, provide a reasonable basis for any findings and conclusions in this report.

We provided a draft of this report to DOD for review and comment. On June 9, 2014, the Military Deputy to the Deputy Assistant Secretary of Defense for Supply Chain Integration stated that the information presented in the draft report was accurate.

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We are sending copies of this report to the appropriate congressional committees and to the Secretary of Defense. The report is also available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-5431 or russellc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter.

A handwritten signature in black ink, reading "Cary Russell". The signature is fluid and cursive, with the first name "Cary" and last name "Russell" clearly distinguishable.

Cary Russell
Director
Defense Capabilities and Management

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